

The structure of, and any inequities in, the Australian winegrape and wine processing market;

The Riverland Region is largest Producer of bulk wine delivering in Australia and Nationally. My dad migrated from India in a dream to have a farm and live on that farm with his children. In the 40 years, he experienced many highs and lows from the Wineries and a sense of helplessness and hopelessness as he had no control over the decisions that were made by Wineries with the lack of Government support. After his passing the family took on the business however we noticed very quickly of many inconsistencies in the Winery.

I am a CCW (cooperative of 600 growers) grower in the Riverland, this means I have a contract with Accolade Wines. I have never had any direct contact with Accolade Wines because there is no channel of communication, there is a clear power imbalance. I have a 15 year rolling contract. My contract per acre is worth 15 thousand dollars. According to Accolade Wines it doesn't hold any value. As of current I have put my vineyard on sale due to financial hardship, and there is no buyer due to the fear that no longer is this business viable or sustainable. In the many years, we have experienced rejection of fruit on un-credible levels from the winery, putting our business at risk. Furthermore under the orders of the winery we have been forced to pay harvester fees to remove the fruit off vines instead of just pruning them off. This has costed us \$20, 000 in harvester fees despite the winery not taking any fruit. To be noted there is no credible or valid assessing on quality of grapes either.

As of recent we have been exploited by the winery itself, while we were rejected for most of our Chardonnay in 2022, Accolade Wines assessors flagged it with disease despite it having a booking last minute to be taken off. When I questioned this with CCW CEO I was given a sorry but your grapes do not meet the quality etc. These grapes were then accepted by another winery namely Kingston Wines. I later find out that the same grapes that were rejected due to so called disease were then purchased back from Accolade Wines for lower rates. To back up my claim I then questioned this with CCW CEO and he quoted 'yes I have heard this myself, it's not good, they could have just purchased it straight from us, but they just bought it for cheaper'.

Our own board CCW is manipulated by Accolade wines. We have no control over the choices made by the board and the many decisions in the past have only been made by the board itself excluding the community of Growers who are the 600 members. Small to average scale Grape Growers questioned whether any of the board members grapes get rejected or not. The answer to this is no.

Wine Grape Growers have been facing years of oppression not been treated as an equal. I have heard from many growers that Accolade Wines has used any excuse to reject Growers grapes. Each year growers are fearful whether

Accolade Winery will take their grapes or not, and overtime they have either accepted some vineyards and rejected other vineyards perpetuating division and fear amongst grape growers. This manipulation has caused growers to be divided rather than to act like a community and share their concerns with their own CCW board. They know that their voices are not heard, as they dismissed or marginalised.

a) The nature and impact of current market and trading arrangements on the winegrape and wine processing industries;

Following on from 2021 Grape Prices and the current market there has been a significant impact on Wine Grape Growers. For years and prior to the decline of Red Grapes - Wine Graper Growers have been told that their shiraz and cabsav are in high demand which was an inaccurate picture painted to all growers in CCW from Accolade Wines. For years, people were planting red varieties up until 2021, we also planted and sold water to re-develop patches into Red Grapes. The price of these grapes went from \$600 tonne, to 315 tonne in 2021 and then to either drop them on the ground or nothing at all. These are all those forecasted varieties that Accolade Wines had highlighted. I got to know later that the Winery had known from 2016 a decline in red varieties. If accurate data was presented to Wine Grape Growers than I and many others would have not planted those grapes. We are talking about livelihoods. Furthermore, prior to these events occurring the same issue happened with Chardonnay around 20 years ago. Growers we asked to plant chardonnay and then the demand of that came down within 3 years from \$1000 tonne to \$100 or nothing and in 2024 its only \$300 something and decreasing since last year. If in 20 years the price of this variety is lower than cost of production then where is our invested money going? What is the winery doing with our grapes? Where is it selling? How many other non-contractual work is it taking in? In one of the meetings I went to the Accolade spokesperson suggested that they were selling a lot of their asset's to imply that their business was ending. However, if that was the case then it would have ended, another manipulation strategy told to grower community. As we know of current history itself has repeated again, and this will continue to happen as long as we don't investigate this matter and bring a cultural, social, transparent and economic shift in the relationship between a Grower and the Winery. As we know that there has been a long-standing history of power imbalance between us and the Winery.

b) the impact of the current market structure on employment conditions for workers in the supply chain;

Vineyard Grape Growers are of current are struggling with their debts. They are running dry as this has been over the 4 year period where both white and red varieties are producing lower than the cost of production. My neighbours have left their vineyards with fruit on them. I have not invested anything this year due to frost damage, which means no income for us. Our community is feeling distraught, nobody wants to remain in the Riverland and wish to run at the first opportunity when they can. Many people are waiting to sell their water rights if they have any, and others are waiting for some kind of change. Most are struggling with mental health issues. I have myself observed this when I spoke to the Indian community. As of current there is no exit strategy for Wine Grape Growers.

c) the availability, transparency and accessibility of winegrape market price information and its effectiveness in forecasting winegrape prices and demand;

There has been no availability on market price information and no access to this information either from Accolade. Any meeting I have attended as the Cooperative Member of CCW I question the CEO's (CEO of CCW) validity of resources, credibility of information passed on to all Growers. Accolade Wines for years have forecasted inaccurately – which have caused massive overhaul issues with similar varieties. Also, I have never been able to have direct contact with Accolade Wines, who can tell me about their business. It has been through my board CCW which is powerless and cannot offer anything. As mentioned above, Accolade Wines and the previous winery over the years have provided Wine Grape Growers inaccurate data. For years telling us to plant red varieties, I invested into my vineyard and did so and in 2021 everything decreased until no point to further run the vineyards. History repeated itself when same situation occurred 20 years ago with Chardonnay.

Also, with the processing and scheduling I am always on edge thinking whether my grapes will get picked or not. Across the board this is how we all feel as growers. We know it might be easier for a harvester or large grower or CCW board member to get their grapes in earlier, but not for the common man who is trying. In many instances I have begged for the grapes to get booked because the grapes go dry sitting on the vines and lose their sugar therefore, reducing the price for me. There is no fairness for the normal growers with small scale vineyards. In the contract it is noted that 14 Baume for reds and 13 for whites. Our grapes do not get picked up at correct Baume levels, usually leading to 16

Baume which costs us. Furthermore, in 2022 we did not get paid for what was said in our contracts. Our contracts were breached. There were disagreements between CCW and Accolade Wines which ended up in dispute mediation. But for several months or longer I was stressed because I was unsure if I could pay any of my bills.

d) the effectiveness of the current administration of the code;

As I have argued above the current administration of the voluntary code has not worked in the history of Wine Grape Growing. Wine Grape Growers have had historical low prices, have not been provided accurate data or forecasting resulting in failure of business and income. Furthermore, Blue Print collated by Riverland Wine, PIRSA, Wine Grape Council has perpetuated this notion removing vines and putting in either red or white of which is demand over the years. Blue Print is another document that claims to improve sustainability, in its own words it is a document to deliver economic success for its industry. It is clear overtime the Blue Print perpetuates what Wineries are doing for decades. You cannot expect the grower to plant and replant a different variety in to the soil of Australia without it costing up to hundreds and thousands of dollars. It cost me for only 3 acres over 50 thousand dollars (3 years ago), and in 2024 it cost double of that. This is not the true meaning of sustainability, this is what Wineries want growers to do. There has to be better practices to this and should not be regulated otherwise this causes a loss to the entire economy of Australia.

e) the adequacy of winegrape and wine industry representation at regional, state and national levels;

I do not know of any Wine Grape Grower who is represented on this level who shares knowledge and who is known, and if there is someone they are probably are very large grower whose income is solely not coming from Vineyards or it could be a Winery. This is a problematic as we need true representation of Growers from small scale representing our communities and families. On committees, in the workplace in other Government organisations at regional and national level we need growers like myself to be there. This will be a true representation of Wine Grape Growers if we wish for this commodity to continue. Marketing at international level should also be factored in.

f) policy and regulatory options to improve market competition and address any inequities, including the potential benefits and limitations of a mandatory code, and the applicability of existing mandatory codes of conduct in other primary industries; and

g)

- Licencing Commercial Plantings. This could address the oversupply issue and improve market competition.
- Benefits outweigh risks of mandatory code, as voluntary code is not working at all. However, benefits would be clarity regarding contracts, transparency regarding pricing, scheduling on time, penalties on breached contracts. Risks could be that the mandatory code itself might have limitations, hence they need to be well thought about and the data should come from Wine Grape Growers themselves. Not only from people with position of power. Furthermore, I don't think the mandatory code will put growers at risk as much as the history of voluntary code has. I have heard about the Dairy Farmers and their battle to the mandatory code. This was a game changer for that industry. But I also think we need to re-examine how we think about our economy, what we as Australians bring to our economy and internationally. I really like the regulations that the kiwi industry have adopted in New Zealand, this truly protects their growers and increasing the benefits to their economy. I speak about this below in recommendations and possible solutions.

h) any other related matters.

### **Recommendations into Possible Solutions for Wine Grape Growers and vineyard sustainability**

- Blue Print is not applicable to Wine Grape Growers and perpetuates unsustainability of Wine Grape Growers. We now need to come up new ways such as taking inspiration from the kiwifruit industry in New Zealand. For instance, the regulations in the kiwi fruit industry aim to balance the benefits of the structure with mitigating the risks by applying non-discrimination rule, non-diversification rule, information disclosure requirements. The collaborative Marketing strategy put in place requires that the arrangement must increase the overall wealth of NZ kiwifruit producers. We can see that kiwifruit industry is benefiting New Zealand economy as a whole. I believe we could re-examine how we think about our practices for Wine Grape Growers, in terms of mandatory coding and what that would include and exclude in terms of successful collaboration with Wineries.
- We could look into California bonus per tonne programme where Wineries guaranteed purchase contracts from accredited growers.

- Research now indicates that small business insolvencies is on the highest rate currently in Australia. No Crisis payment has been offered to Wine Grape Growers since 2021. Despite global disruptions from COVID-19, reduced tourism, political impact of tariff issues with China. A payment could assist with growers maintaining their plantings. Furthermore, payments for frost damage, hail storms and other environmental factors which are adding further stressors to growers.
- Relief for electricity bills that run the irrigation, relief from council rate bills, relief from Central Irrigation Trust bills. This bill is costing up till 20 thousand dollars a year for me. I still have to pay a price to water the vineyard even though I will have no income this year.
- Earlier reveal of purchase price from wineries June/July. Wineries they have their own vineyards know all about prices. However growers don't know until harvest time. Why should Growers invest in a cost that doesn't cover cost of production? Clear information regarding pricing should be given.
- Licencing Commercial Plantings. This could address the oversupply issue.
- Marketing wine internationally to be explored. A government subsidy for marketing wine and travel. Marketing jobs created. This will bring strong sustainable returns to Wine Grape Growers in Australia.
- Exit plan for growers that are struggling and can no longer cope. We have an aging population at risk.
- To waive bank loans fees or interest fees of Wine Grape Growers. This goes back to the highest rate of small business insolvencies in Australia. In previous years, the government has waived interest fees. Next solution is for primary banks in Australia to allow for Wine Grape Growers to pay interest only until there is an improvement in their circumstances. Nationally banks are putting pressure on, not restructuring the loans and only giving short term interest only payments. This will alleviate stress for Grape Growers.
- Education to Banks and other prime sectors regarding China tariff issue. Just because the sanctions have lifted it does not mean on the grass root level or structurally anything has changed.
- Access to RIC LOAN ( Regional Investment Loan). I have tried applying for this loan with the support of my financial counsellor however got declined due low income. No Grower can now access this loan due this issue, so how is this applicable to growers?
- Grape Growers that have small scale vineyards, that represent their communities to be involved and invited to special committees, on both local and national level representation. Having vineyard grassroots level

knowledge is important for the Wine sector. Jobs should be created and carted to those individuals or communities that know best about their produce.

- Researching data based on Wine Grape Growers in the Riverland and other regions. So local data is a critical step as this will assist in forming discussions regarding sustainability. For instance, what is working for the growers, what are their needs? What are their experiences? Or we could tailor to contracts, environmental factors, supply vs demand issues, mental health issues etc. We need to learn more about our Growers. Currently, we are using a top down approach such as the winery to consult, to form groups and to make decisions which leads to a failure of entire industry.
- Accolade Wines need to be hold accountable for loss of income for Wine Grape Growers over the years. Evidence and investigation can show that breach of contracts with a 15 year rolling contract have occurred over the past years. Grape Growers now are experiencing extreme financial hardship. This exploitation of vulnerable growers must be addressed and investigated.
- Wineries that release inaccurate data and mislead, exploit vulnerable Grape Growers should be given heavy legal penalties and compensation given to Grape Growers. The worth of their contracts which is \$15 thousand dollars per acres should be compensated by law. Mine and everyone else on CWW contract has been breached.